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Media Release

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i Source: [Labour Force, Australia, February 2023](#)

The seasonally adjusted unemployment rate fell to 3.5 per cent in February, according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics said: "with employment increasing by around 65,000 people, and the number of unemployed decreasing by 17,000 people, the unemployment rate fell to 3.5 per cent. This was back to the level we saw in December.

"The February increase in employment follows consecutive falls in December and January. In January, this reflected a larger than usual number of people waiting to start a new job, the majority of whom returned to or commenced their jobs in February.

"This was particularly evident in the South-East of Australia, with larger than seasonal numbers of people entering into employment across New South Wales, Victoria and the ACT."

With the higher than usual number of people transitioning into employment in February, the number of people indicating they were waiting to start a new job returned close to normal levels.

In line with the increase in employment, the employment to population ratio increased 0.2 percentage points to 64.3 per cent in February, back to the level in December 2022.

The participation rate rose 0.1 percentage point to 66.6 per cent in February, also back to the level in December 2022.

Hours worked

Seasonally adjusted monthly hours worked increased by 3.9 per cent in February 2023.

"Following the 2.1 per cent fall in January, when more Australians than usual took annual leave, the hours worked in February bounced back strongly to a level similar to late 2022, and were 5.1 per cent higher than February 2022.

"In February, there were also no major disruptions that affected peoples' ability to work their normal hours, such as the widespread sickness or natural disasters that we have seen over recent years," Mr Jarvis said.

Seasonally adjusted employment and hours worked, indexed to March 2020



Source: Labour Force, Australia Tables 1 and 19

Underemployment and underutilisation

The seasonally adjusted underemployment rate fell 0.3 percentage points to 5.8 per cent.

"The underemployment rate is currently almost 3 percentage points lower than it was

before the pandemic, with falls over the past year underpinned by stronger growth in hours worked than in employment," Mr Jarvis said.

The underutilisation rate, which combines the unemployment and underemployment rates, fell 0.5 percentage points to 9.4 per cent. Apart from November 2022, when it was 9.3 per cent, this was the lowest it had been since April 1982.

"The low underutilisation rate, along with strength in hours worked demonstrates the continued tightness in the labour market," Mr Jarvis said.

Underlying trend data

Trend employment increased by 20,000 people (0.1 per cent) in February 2023, and trend monthly hours worked increased 0.2 per cent.

"The latest monthly increase in trend employment was only slightly below the monthly average for the 20 years before the pandemic. This now shows that, while underlying employment growth has slowed down compared with what we saw through much of 2022, it is still increasing at close to its long-term historical rate," Mr Jarvis said.

The trend unemployment rate remained at 3.5 per cent for the seventh consecutive month. The trend underemployment rate fell slightly to 5.9 per cent.

The trend participation rate fell less than 0.1 percentage point to 66.6 per cent.

Today's release includes additional analysis of hours worked, and historical charts back to 1966.

Further information, including regional labour market information, will be available in the upcoming February 2023 issue of Labour Force, Australia, Detailed, due for release on Thursday 23 March 2023.

The ABS would like to thank Australians for their continued support in responding to our surveys.

Media notes

- The February survey reference period was from 29 January to 11 February 2023.
- The March survey reference period is from 26 February to 11 March 2023.
- To learn more about our different labour measures, their purpose and how to use

them, see our new [Guide to labour statistics \(/statistics/understanding-statistics/guide-labour-statistics/\)](/statistics/understanding-statistics/guide-labour-statistics/). It provides summary information on labour market topics including [Industry employment \(/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide/\)](/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide/) data.

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